

Message Text

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PAGE 01 PEKING 02010 080937Z
ACTION EA-12

INFO OCT-01 ISO-00 DODE-00 EB-08 NSAE-00 USIA-06
TRSE-00 ERDA-05 CIAE-00 COME-00 FEA-01 INT-05
OES-07 PM-05 NSC-05 SP-02 SS-15 ACDA-07 /079 W
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R 080837Z SEP 77
FM USLO PEKING
TO SECSTATE WASHDC 8655

C O N F I D E N T I A L PEKING 2010

E.O. 11652: GDS
TAGS: ESTC, ETRD, CH, US

SUBJ: SALE OF SEISMIC COMPUTERS

REF: PEKING 0201

1. GEORGE HOWARD OF DIGITAL RESOURCES CORPORATION
CALLED AT USLO SEPTEMBER 7 TO RPORT THAT HE HAD JUST
SIGNED A CONTRACT FOR \$5.4 MILLION FOR SEISMIC
COMPUTERS. THE PRC NOW IS BUYING A TOTAL OF SIX
COMPUTERS FROM DIGITAL RESOURCES: THREE TO BE LOCATED
ON INSTITUTE ROAD IN NORTHWEST PEKING, TWO IN NANKING
AND ONE IN HONAN. PRC OFFICIALS TOLD HOWARD THAT
HUA KUO-FENG'S PROMISE OF TEN NEW TACHING OILFIELDS
BY 1980 WAS SERIOUS AND THAT HEAVY PRESSURE IS
BEING PLACED ON MINISTRY OF PETROLEUM INDUSTRIES
TO DELIVER.

2. THE DEPUTY DIRECTOR OF MACHIMPEX DEPARTMENT FOUR
TOLD HOWARD THAT CHINESE HAVE EASED RESTRICTIONS
ON MEETING US REQUIREMENTS FOR ON-SITE AND
VISITING INSPECTIONS FOR THE FIRST 18 MONTHS
OF UTILIZATION OF THE COMPUTERS. IN ADDITION,
MACHIMEEX HAS LEFT THE FFT SPEED BLANK IN
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THE DIGITAL RESOURCES CONTRACT AND WILL ALLOW
DIGITAL RESOURCES TO NEGOTIAT THAT WITH
EXPORT CONTROL OFFICIALS IN WASHINGTON.

3. HOWARD SAID HE HAD ALREADY DISCUSSED THE
PROBLEM WITH DIGITAL ARRAY PROCESSORS WITH
BATLOCK, HEAD OF THE EXPORT ADMINISTRATION,

COMPUTER DIVISION, IN COMMERCE. HE UNDERSTOOD
THAT THE LIMIT OF ONE K POINTS FFT WAS 50
MILLISECONDS AND THAT HE WOULD HAVE TO SLOW

DOWN THE DIGITAL RESOURCES COMPUTER TO MEET
THIS REQUIREMENT. HOWEVER, HE SAID HE WAS
SEPARATELY TOLD THAT THE RAYTHEON ATP COMPUTER
IS IMMEDIATELY EXPORTABLE. ON ARRIVING IN
PEKING HE WAS SURPRISED TO DISCOVER THAT THE PRC
ALREADY HAS A RAYTHEON ATP IN PEKING AND THAT,
IN FACT, THE RAYTHEON IS EVEN FASTER THAN THE
LIMITS HE WAS GIVEN.

4. HOWARD LEFT PEKING SEPTEMBER 7 FOR
WASHINGTON AND PLANS TO CALL ON COMMERCE EARLY
IN THE WEEK OF SEPTEMBER 12 TO DISCUSS HIS
APPLICATION. HE FEELS THAT THE PRC IS EAGER
TO PUT DIGITAL RESOURCES COMPUTERS TO WORK AND
HE HOPES APPROVAL OF EXPORT LICENSES CAN BE
EXPEDITED.

5. COMMENT: THE EXPORT LICENSE FOR HOWARD'S
ORIGINAL SALE HAS NOW BEEN UNDER CONSIDERATION
FOR A YEAR. WE WOULD LIKE TO SEE EXPEDITIOUS
PROCESSING OF LICENSE FOR THE NEW SALE OF
COMPUTERS WHICH WILL HELP THE CHINESE IN THEIR
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OIL EXPLORATION EFFORTS. REQUEST THAT WE BE
INFORMED ON STATUS OF ORIGINAL APPLICATION.
WOODCOCK

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NNN

Message Attributes

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Concepts: SALES, COMPUTERS
Control Number: n/a
Copy: SINGLE
Sent Date: 08-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
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TAGS: ESTC, ETRD, CH, US
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